



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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**AGENDA
BOARD OF DIRECTORS MEETING**

OCSD Board Room
1655 Front Street
Oceano, California 93445

Wednesday, August 17, 2016 at 6:00 p.m.

Board Members

John Shoals, Chair
Mary Lucey, Director
Jim Hill, Director

Agencies

City of Grover Beach
Oceano Community Services District
City of Arroyo Grande

Alternate Board Members

Matthew Guerrero, Director
Tim Brown, Director
Barbara Nicolls, Director

Oceano Community Services District
City of Arroyo Grande
City of Grover Beach

-
- 1. CALL TO ORDER AND ROLL CALL**
 - 2. PLEDGE OF ALLEGIANCE**
 - 3. AGENDA REVIEW**
 - 4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

This public comment period is an invitation to members of the community to present comments, thoughts or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters which are within the jurisdiction of the District. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or presiding Board Member may:

- Direct Staff to assist or coordinate with you.
- Direct Staff to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to three (3) minutes or less.
- Your comments should be directed to the Board as a whole and not directed to individual Board members.
- Slanderous, profane or personal remarks against any Board Member, Staff or member of the audience shall not be permitted.

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for

public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

5. CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

5A. Approval of Minutes of Meeting of July 20, 2016

5B. Approval of Minutes of Meeting of August 03, 2016

5C. Approval of Warrants

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Staff recommends the Board receive and file this report.

7. ACTION ITEMS:

7A. FISCAL YEAR 2015/16 FOURTH (4th) QUARTER BUDGET PERFORMANCE REVIEW

Staff recommends the Board receive and file this report.

7B. CONSIDERATION OF RESOLUTION NO. 2016-355, AMENDING THE DISTRICT'S CONFLICT OF INTEREST CODE

Staff recommends adoption of Resolution No. 2016-355, including Appendix A and B.

8. ADJOURN MEETING

The next regularly scheduled Board meeting on September 07, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday July 20, 2016
6 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Director Barbara Nicolls, City of Grover Beach; Acting Chair Mary Lucey, Oceano Community Services District; Director Tim Brown, City of Arroyo Grande

District Staff in Attendance: Gerhard Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel; Amy Simpson, District Secretary/Bookkeeper; John Clemons, Plant Superintendent

2. FLAG SALUTE

3. AGENDA REVIEW – Accepted as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

There was no public comment on items not appearing on the agenda.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of July 06, 2016

5B. Approval of Warrants

District Administrator noted that the two highlighted items on the Warrant Register will be Board Action Items tonight. The Board will consider those items when they are taken up.

Acting Chair Lucey opened the public comment period.

Julie Tacker commented on the legal counsel warrant.

Acting Chair Lucey closed public comment.

Motion: Director Brown made a motion to approve the Consent Agenda with the exception of the two Action Items highlighted on the Warrant Register.

Second: Director Nicolls

Action: Motion carries

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

District Administrator Hubner presented the first part of this report.

Superintendent Clemons presented the second part of the report. He did report that the plant is operating in compliance.

Acting Chair Lucey opened the item to public comment.

Julie Tacker commented on the District Administrator and Superintendent Report.

Acting Chair Lucey closed the public comment period.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. AUTHORIZATION TO SUBMIT PAYMENT TO CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (CalPERS) AS ANNUAL LUMP SUM PAYMENT VS. MONTHLY AS A COST SAVING MEASURE

Staff recommended the Board of Directors authorize the District Administrator to submit a lump sum annual payment to CalPERS in the amount of \$41,854.

Acting Chair Lucey opened the item to public comment.

Julie Tacker commented on this item.

Acting Chair Lucey closed the public comment period.

Motion: Director Nicolls made a motion to authorize the District Administrator to submit a lump sum annual payment to CalPERS in the amount of \$41,854.

Second: Director Brown

Action: Motion carries

7B. AUTHORIZATION TO UTILIZE THE PREPAYMENT OPTION ON THE LOAN FOR DISTRICT'S COGENERATION UNIT

Staff recommended the Board of Directors authorize the District Administrator to submit prepayment of \$73,750.05 on the loan for the District's Cogeneration Unit.

Director Tim Brown asked if other vendors could come in and use any of the original unit or if there was any salvage or depreciation value in the unit.

Acting Chair Lucey did not feel it was a great value to save only a small percentage in prepaying. She asked about refinancing the loan.

Acting Chair Lucey opened the item to public comment.

Julie Tacker gave public comment.

Acting Chair Lucey closed the public comment period.

Motion: Director Brown made a motion to authorize the District Administrator to submit prepayment of \$73,750.05 on the loan for the District's Cogeneration Unit to save rate payers \$1,046.55.

Second: Director Nicolls

Action: Motion carries

7C. NOMINATION FOR MAIL IN BALLOT FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2016 BOARD ELECTIONS

Staff asked for direction from the Board of Directors whether to proceed with

options to either: 1) nominate one candidate, and complete and submit the mail in ballot for the CSDA's 2016 Board Election, 2) no action, or 3) create a subcommittee of one Board member to consider a candidate and provide a recommendation at future Board meeting.

Acting Chair Lucey shared her experience with Anthony Kalvans and is in favor of nominating him for the position.

Acting Chair Lucey opened the item to public comment.

Julie Tacker gave public comment.

Acting Chair Lucey closed the public comment period.

Motion: Acting Chair Lucey made a motion to submit the mail in ballot for the CSDA Board nominating Anthony Kalvans.

Second: Director Brown

Action: Motion carries

7D.

APPROVAL TO SELECT FIRM AND EXECUTE A CONTRACT TO PERFORM PROFESSIONAL AUDITING SERVICES FOR THE DISTRICT'S 2015-16 FINANCIAL AUDIT

Staff introduced the item, provided the background process for obtaining proposals, the review and selection process.

Acting Chair Lucey opened the item to public comment.

Julie Tacker gave public comment.

Acting Chair Lucey closed the public comment period.

Motion: Director Brown made a motion to approve the selection of Glenn Burdette Attest Corporation to perform the District's 2015-2016 Financial Audit,

Second: Director Nicolls

Action: Motion carries

Motion: Director Nicolls made a motion to authorize the District Administrator to sign and execute a professional contract with this firm in the amount of \$11,500 to perform these services, and

Second: Director Brown

Action: Motion carries

Director Brown made a personal request for the District Administrator's resume.

There being no further business to come before the Board, Acting Chair Lucey adjourned the meeting at approximately 7:02 p.m.

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday August 03, 2016
6 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chairman John Shoals, City of Grover Beach; Alternate Matthew Guerrero, Oceano Community Services District; Director Jim Hill, City of Arroyo Grande

District Staff in Attendance: Gerhard Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel; Amy Simpson, District Secretary/Bookkeeper; John Clemons, Plant Superintendent

2. FLAG SALUTE

3. AGENDA REVIEW – Accepted as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker believes the resume of the District Administrator is a public record and asks that the resume be released.

Patricia Price suggested adding a link on the website to the AGP recordings of District meetings. She feels the new Administrator is expensive and would have preferred a part time administrator. She believes the District Administrator should stay on the plant site and not have an offsite office. She would like more details of the meetings he attends and project updates. She asked if and when the cities of Grover Beach and Arroyo Grande will be moved to the county tax roll.

Beatrice Spencer believes the District Administrator resume should be released as a public document. She is concerned that the excessive legal bills do not reflect the position of the District plant that is operating in compliance.

Chairman Shoals closed the Public Comment.

District Administrator Hubner said that the District has legally responded to all requests for his resume but to put this issue behind the District he provided his redacted resume to Ms. Tacker as a courtesy.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of July 20, 2016

This item will be moved to the agenda of August 17th. Legal Counsel recommended that the Board members watch the video recording of the meeting. This will allow the Directors to approve the minutes of July 20, 2016 even though they were unable to attend the meeting in person.

5B. Approval of Warrants
5C. Financial Review at June 30, 2016

Chairman Shoals opened the public comment period.

Julie Tacker hopes that this is the last Downey Brand warrant. She would like to see an accounting of the total cost of the legal fees associated with litigating the ACL violation.

Chairman Shoals closed public comment.

Motion: Alternate Guerrero made a motion to approve items 5B and 5C of the Consent Agenda.

Second: Director Hill

Action: Motion carries

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

District Administrator Hubner presented the first part of this report.

Superintendent Clemons presented the second part of the report.

Director Hill asked about the MND comment period for the Cherry Ave Sewer Bridge Project and the comment deadline of August 19. He asked if there was any value in holding a Special Meeting to expedite the project.

Administrator Hubner replied that he hopes that the process will be complete, done correctly and legally by the September 7, 2016 meeting. A Special Meeting is an option for the Board.

Director Hill requested a copy of the Ergonomics Specialist report and a copy of the MOU for the IRWM approved previously. Complimented staff on getting parameters met and the plant running well.

Chairman Shoals and Director Guerrero also thanked staff for their accomplishments.

Chairman Shoals opened the item to public comment.

Patricia Price asked what Superintendent Clemons meant when he said that there are internal problems.

Julie Tacker thanked Administrator Hubner for his resume. She asked that Mr. Hubner spell out for the Board why he needs an offsite office and recommended a cost analysis be done before any move.

Ron Arnoldson asked the Board to "keep Superintendent Clemons happy because he is a great guy".

Beatrice Spencer hopes that the District Administrator report was not a sales pitch for a new offsite office. She thanked Mr. Clemons for his reports.

Chairman Shoals closed the public comment period.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. REQUEST FOR APPROVAL FOR A CHANGE ORDER FOR THE GRIT REMOVAL SYSTEM PROJECT, CONTINGENCY FUNDS AND AUTHORITY TO PROCESS FUTURE CHANGE ORDER TO SUPPORT FUTURE UNFORESEEN PROJECT CONSTRUCTION EVENTS.

District Administrator presented this item in a power point presentation with an update on the Grit Removal Project.

Chairman Shoals opened the item to public comment.

Julie Tacker asked why there is not a Budget Adjustment to move money from Contingency to Grit Removal.

Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to:

1. Approve a change order in the amount \$15,526.17 for the Grit Removal Project.
2. Approve a specific contingency fund for this project in the amount of \$35,000 for unforeseen future project events; such funds to be taken from the fiscal year 2016/17 Contingency Fund currently at \$98,500 and would be subsequently reduced by the \$35,000 subject to repayment to any unused funds.
3. Authorize the District Administrator to approve further change orders for this project within the newly created contingency fund subject only to reporting back to the Board after the fact.

Second: Director Guerrero

Action: Motion carries

8. CLOSED SESSION

Legal Counsel Trujillo announced that the Board would be meeting in Closed Session.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Paragraph (1) of subdivision (d) of Government Code Section 54956.9]; (one case).

(1) South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) case number 34-2012-80001209-CU-WM-GDS)

Chairman Shoals opened the item to public comment.

Julie Tacker is hopeful the Board is close to putting litigation to bed.

Chairman Shoals closed the public comment.

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Chairman Shoals announced "that on a unanimous 3-0 vote the board has decided to settle the case with the Water Board. The Sanitation District and the Regional Water

Board have reached an agreement of the 2010 spill litigation and agree to pay to \$555,000 of penalty towards local and regional community projects of the \$1,190,000. This allows the District to not only settle but guarantees that 50% of the money to be paid, rather than all of it going to Sacramento, will be guaranteed to be spent locally improving the plant and to the benefit of local rate payers. The Board believes that given what they inherited, given the tough decisions and the process, this is a good as deal as they could have gotten. This settlement is a major accomplishment for the District and allows us to move forward on new initiatives including investing in the District's wastewater infrastructure and exploring ways to use our wastewater for beneficial use through future regional reclamation options. Whereas the original decision and order required the District to pay a \$1.19 million fine/penalty with the money going to Sacramento, this settlement guarantees that 50% (\$555,000) will be invested locally. This came about thorough diligent work of all the folks involved Board members and staff. Mr. Hubner was instrumental in being able to negotiate this agreement because of his relationships with the folks of the Regional Quality Board and because of his experience he was able to put forth and advise on projects that were likely to be approved by the Board of Directors. He has played a huge part in reaching this settlement and this agreement."

Director Hill thanked the members of the public for hanging in there. He echoed the comments of Chairman Shoals and thanked District Board, Regional Water Quality Control Board and Administrator Hubner for reaching this settlement which he thinks is in the best interest of all.

Alternate Guerrero joined those comments and thanked Mr. Hubner and Chairman Shoals for building this consensus and bringing this to a resolution.

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 7:07 p.m.

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
08/17/2016 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AGP VIDEO	PROF. SERVICES	JULY	081716-1504	7080	1,450.00	1,450.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	SEPTEMBER	1505	6025	909.42	909.42
ARAMARK	UNIFORMS	8/5; 08/12	1506	7025	357.82	357.82
BANK OF THE WEST	COMPUTER SUPPORT	ESRI, INC.	1507	7015	1,612.50	2,063.15
	MEMBERSHIP/SEMINAR/MEETING	TRI STATE SEMINAR		7050	388.40	
	OFFICE SUPPLIES	OFFICE DEPOT		8045	62.25	
BERCHTOLD	EQUIPMENT MAINTENANCE	PC73260; SJ09616	1508	8030	1,484.93	1,484.93
BRENNTAG	PLANT CHEMICALS	BPI645896	1509	8050	5,876.92	5,876.92
BRIAN BOILER WORKS	EQUIPMENT MAINTENANCE	99562	1510	8030	640.00	640.00
CENTRAL COAST TECH CONSULTS	COMPUTER SUPPORT	517	1511	7082	220.00	2,040.00
	OFFICE EQUIPMENT	478; 513		7015	1,820.00	
CHARTER	COMMUNICATIONS	07/29/16-08/28/16	1512	7013	376.40	376.40
CCWT GB	EQUIPMENT RENTAL	36715	1513	7032	60.00	60.00
CCWT SM	EQUIPMENT RENTAL	61790	1514	7032	17.50	17.50
EVERYWHERE RIGHT NOW, INC	COMPUTER SUPPORT	1710	1515	7082	2,000.00	2,000.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	100689	1516	8030	2,088.64	2,088.64
GAS COMPANY	GAS	JULY	1517	7092	1,420.44	1,420.44
GARING TAYLOR ASSOC.	AG SEWER BRIDGE	13682; 13786	1518	26-8065	5,106.25	5,106.25
GILBERT TRUJILLO	GENERAL LEGAL SERVICES	JULY	1519	7071	2,082.50	2,082.50
I.I. SUPPLY	STRUCTURE MAINTENANCE	40180;40216; 40326; 40327	1520	8060	4,123.86	4,123.86
INTEGRATED PROCESS TECH	CAPITAL EQUIPMENT	255430-00	1521	8010	13,336.25	13,336.25
JB DEWAR	FUEL	822318	1522	8020	101.19	101.19
JESSICA MATSON	WEBSITE	JUL 2016	1523	7065	270.00	270.00
KENNEDY JENKS	REDUNDANCY PROJECT	103714	1524	20-7080	61,960.32	61,960.32
LEXIS NEXIS	SUBSCRIPTION	JULY	1525	7071	250.00	250.00
MCMASTER CARR	TOOLS	72017687	1526	8055	45.84	45.84
MKN	GIS IMPLEMENTATION	2436	1527	7015	1,920.00	12,330.43
	GRIT REMOVAL IMPROVEMENT	2480		20-8015	7,583.85	
	HEADWORKS IMPORVEMENT	2481		26-8065	1,437.50	
	REDUNDANCY PROJECT	2465		20-7080	1,389.08	
MINERS	EQUIPMENT MAINTENANCE	JULY	1528	8035	464.49	464.49
OCSD	WATER	05/18-07/18	1529	7094	250.08	250.08
PERRY'S	EQUIPMENT MAINTENANCE	19589	1530	8030	150.00	150.00
POLYDYNE INC.	PLANT CHEMICALS	1064777	1531	8050	5,835.10	5,835.10
PRAXAIR	EQUIPMENT RENTAL	55450833	1532	7032	28.80	28.80
READY REFRESH	HOUSEHOLD SUPPLIES	JULY	1533	8035	100.20	100.20
SLOCO DATA	OCSD BILLING	37463	1534	7074	1,890.02	1,890.02
SO. CO. SANITARY SERV.	GARBAGE	AUGUST	1535	7093	107.80	107.80
SPEISS CONSTRUCTION CO. INC.	GRIT REMOVAL	21653	1536	20-8015	34,960.00	34,960.00
SPRINT	CELL PHONES	JULY	1537	7011	219.87	219.87
STANLEY SECURITY	ALARMS	SEPTEMBER	1538	7011	64.06	64.06
STATE FUND	WORK COMP INSURANCE	PREMIUM AUGUST	1539	6080	5,580.67	5,580.67
TRIBUNE	ADVERTISING	BID NOTICES	1540	7005	544.50	544.50
VWR	LAB SUPPLIES	8045630331; 8045747971	1541	8040	569.73	737.23
	SAFETY SUPPLIES	8045713552		8056	167.50	
WENDY STOCKTON, ESQ.	LEGAL COUNSEL	JULY	1542	7071	2,222.50	2,222.50
WINEMA INDUSTRIAL SUPPLY	SAFETY SUPPLIES	636	1543	8056	1,118.50	1,118.50
WSC	SWRRFS	2080	1544	20-7090	6,663.53	6,663.53
SUB TOTAL					\$ 181,329.21	\$ 181,329.21
SO. SLO CO. SANITATION DISTRICT	RABOBANK REIMB. FOR JULY	WEBHOSTING	1545	7011	162.35	62,594.01
		PAYROLL REIMB			61,848.85	
		ALLTECH		7082	540.00	
		CALPERS		6060	3.01	
		PETTY CASH REIMB			40.00	
SO SLO CO SAN DIST REIMB	PAYROLL MEMO 08/05/16	\$30,916.04				
SUB TOTAL					\$ 62,594.21	\$ 62,594.01
GRAND TOTAL					\$ 243,923.42	\$ 243,923.22

We hereby certify that the demands numbered serially from 081716-1504 to 081716-1545 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: _____

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765

Date: August 17, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Today's report presents ongoing information on latest Direct staff activities of possible interest to the Board and members of the public, project updates, regional efforts, our regular Superintendent report, and operation and maintenance activities. *Updates since the last report are provided in italics below:*

Project Updates:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – The purpose of this project is to perform regular maintenance on the existing structure, remove paint and debris and replace its anti-corrosion coating. *The deadline for comments on the draft Mitigated Negative Declaration is Friday August 19th. Subsequently we anticipate bringing this MND for Board consideration and approval at its September 7th Board meeting.*
- **Grit Removal System** – On April 28, 2016, the Board approved a contract with Speiss Construction Company for \$492,100. *Construction continues on this project. Work to connect the future Grit Removal System to one of our main truck line has been completed with backfilling of the pit and trench. The next step will involve valve realignment, previously approved by the Board. The first piece of equipment (grit classifier section) has been delivered to.*
- **Mechanical Bar Screen** – A Bid opening for this project was conducted at 2 pm on August 10th. We received four bids, ranging in price from \$511,000 to \$613,000. *We anticipate at the September 7th Board meeting bringing a recommendation to the Board for award of contract based upon these bids.*
- **Secondary Process Redundancy Project** – On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. *The biological surveys at our facility property, and flooding/sea rise analyses are now complete. On August 5, 2016, a cover letter (Attachment No. 1) outlining our response(s) to the Coastal Commission staff's April 15th letter to our Coastal Development Permit application was sent to Coastal*

Commission staff, including six attachments (which included site plans, biological surveys, sea level rise analysis, flood risk mitigation strategy, and site photos).

- **Satellite Water Resource Recovery Facilities Grant** – The Board approved a re-scoping of this grant funded project at its March 30, 2016. Regular monthly meetings are held with the consultant and City of Arroyo Grande staff, where project schedule, milestone and progress on report components are discussed. Staff met with WSC staff at their office in SLO on July 21st. The main topic on the agenda was discussion of conceptual alternatives. *All data requests of District staff have now been completed and transmitted to WSC.*
- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – Staff continue to work with representatives of PG&E, MKN and Enwise on the feasibility of a co-generation system at the District's facility. Significant benefits of a co-generation system may include future saving on facility electricity costs, and a reduced carbon footprint (eliminated flare)/greenhouse gases. The latest meeting with PG&E was held on July 7th to discuss contractual and performance issues we would like to see with any new Unit. *An invitation has been received this week to visit a similar project at the City of San Luis Obispo WWTP.*
- **GIS manhole mapping system** – *This project is now complete, with software training the last step.*
- **District Control Building and Office** – Significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.

At the July 6th Board meeting, the Board approved work to repair the Building's HVAC Ductwork and Bathroom. *Jackhammering of the floor for pipe repair continued through this week, and has been very disruptive to the administrative work area. Repair work is done, then remodeling can commence. Work on the HVAC has yet to begin.*

Regional Efforts

- **Arroyo Grande Watershed MOU Group** – In 2006, various parties, including the District entered into a Memorandum of Understanding. The purpose of this watershed group is to develop programs and policies for the maintenance, protection, and enhancement of Arroyo Grande Watershed and creeks within the Watershed. The next meeting is scheduled tentatively for late September.
- **Zone 1-1A Flood Control Advisory Committee** – The Committee is focused on the goal to provide input and coordination on proposed improvement and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. At the June 15th Board meeting, the Board approved District staff participation. *The next meeting August is 16th with update on the Arroyo Grande Creek annual channel maintenance, Waterway Management Program projects, and annual budget.*

- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:
 - Crosses jurisdictional, watershed, and political boundaries
 - Involves multiple agencies, stakeholders, individuals, and groups
 - Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
 - Develops multi-benefit solutions

At the July 6th Board meeting the Board approved the District's participation in the IRWM program through adoption of a Resolution and becoming signatory under the existing Memorandum of Understanding. The next meeting is scheduled for September 7th.

- Water Reuse, Central Coast Chapter - The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. The Water Reuse Association provides a comprehensive and complementary approach to increasing water reuse in California. *This week an invitation was received for staff and elective officials to visit and tour the Monterey Regional Water Pollution Control Agency's "Pure Water Demonstration Facility". That tour is scheduled for September 14th.*
- North Cities Management Area Technical Group - The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication. This group is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. At the meetings, group members share hydrologic and water resources data and information, and water conservation efforts. The next meeting is scheduled for August 15th.
- Regional South SLO County Recycling and Countywide Water Action Team/Water Management Efforts: Staff participates in meeting with the City of Pismo Beach, and discusses their efforts with a potential regional recycling project and how might the District participate. In addition, a Countywide Water Action Team has formed, with water managers throughout San Luis Obispo County convening to discuss and collaborate on water supply management solutions, especially in light of the severe drought. The next meeting of the latter group is scheduled for August 26th.
- *Outreach Efforts* – The District Administrator provided a formal presentation on the District and its initiatives to the Arroyo Grande City Council on July 26th, the Oceano CSD on July 27th, and the Regional Water Quality Control Board on July 28th. *Work has been initiated on overhauling the District's website and producing our first newsletter since 2013.*

Superintendent's Report

During this reporting period (August 1st through August 12th) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. *All process values (lab test results) were within permit limits.* However, on August 2nd we did receive test results for total suspended

solids and BOD that were above our monthly permit limits. In the days prior to these unusually high results staff notices a red colored substance in the influent which continued for over an hour. Staff collected a sample and tested that sample for conductivity and pH. The results were within normal range. Also, on July 1st, as a result of a power outage, the FFR pumps were not pumping for up to an hour, creating a process bypass situation (The Regional Water Board has been notified). All subsequent test results have been typical ranges for this Plant.

Plant Data (Data as Available August 12), 2016

August 2016	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.32	3.65	462	42	451	40	35	296	91
High	2.46	4.5	4.62	42	538	53	240	375	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2015 Monthly									
Average	2.17	3.42	415	29	438	36	67	194	93
High	2.42	4.8	495	43	494	47	255	402	

**Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous value for plant effluent BOD and TSS.

Operation and Maintenance Projects

- *Reassemble 3-way Dzuric valve for sludge beds.*
- *Removed and reinstalled irrigation well pump.*
- *Implemented G.I.S. program.*
- *Trouble shot fluid leak on front loader.*
- *Restored network communications for DS2 gas monitor docking station.*
- *Performed hydraulic flush on trickling filter.*
- *Drained and cleaned chlorine contact tank.*
- *Completed installation of control wiring for ferric pump system*
- *Installed HMI panel in MCC*
- *Cleaned and inspected Digester #2 pressure/vacuum relief valves.*
- *Marked underground service alerts.*

Safety Training

- Staff received safety training on the recognition and treatment of heat related illness and injuries.

Call Outs

- Sunday, July 31, 2016, 11:40 pm – Power Outage. *See above for additional explanation.*

Attachment No. 1 – Letter dated August 5, 2016 to Mr. Daniel Robinson, Coastal Commission, District response to Coastal Commission staff's April 15, 2016 letter regarding District's CDP Application No. 3-16-0233 for District's WWTP Redundancy Project.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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August 5, 2016

Daniel Robinson
Coastal Planner
California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

Subject: **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
(DISTRICT) RESPONSE TO COASTAL COMMISSION STAFF'S APRIL
15, 2016 LETTER REGARDING DISTRICT'S COASTAL
DEVELOPMENT PERMIT (CDP) APPLICATION NO. 3-16-0233 FOR
THE DISTRICT'S WASTEWATER TREATMENT FACILITY
REDUNDANCY PROJECT**

Dear Mr. Robinson:

On behalf of the South San Luis Obispo County Sanitation District Directors and staff, I would like to thank you for your ongoing assistance as we move forward with the Redundancy Project.

As stated in the District's CDP Permit Application (March 11, 2016), South San Luis Obispo County Sanitation District owns and operates a wastewater treatment facility (WWTF) that is permitted under National Pollutant Discharge Elimination System (NPDES) No. CA0048003/Waste Discharge Requirements Order No. R3-2009-0046. The existing plant uses mechanical screens, primary clarifiers, fixed film reactors (FFR), one secondary clarifier, and chlorination to provide secondary treatment with disinfection to treat wastewater. The plant is designed and permitted to treat a peak dry weather flow of 5.0 million gallons per day (MGD). However, the existing treatment plant cannot meet effluent limits at the permitted design flow if the FFR or the secondary clarifier is out of service. There is no redundant unit for either process.

The project is intended to provide secondary treatment process redundancy to allow these major process units to be removed from service for maintenance or repairs without risking violation of effluent permit limits. The project is not intended to add

capacity to handle higher flows than currently permitted, and no additional treatment capacity is being pursued by the District as part of this project.

Studies and Reports Completed to Address Key Issues

In response to your letter dated April 15, 2016, we are attaching several studies completed for this project to address the key issues you raise in that letter. These studies include:

- Biological resource inventory (including wetland delineation) of the SSLOCSD WWTP site and immediate vicinity (Kevin Merk Associates, dated August 2016);
- Sea level rise analysis that complies with state guidelines from Ocean Protection Council and California Coastal Commission (ESA, dated August 3, 2016); and
- Technical Memorandum describing the proposed flood risk mitigation strategy, which responds to the above-mentioned study (Kennedy/Jenks Consultants, July 29, 2016)

Responses to Each Key Issues

Furthermore, the District has worked closely with the various environmental resource consultants to proactively address the issues raised in the April 15th Coastal Commission staff letter, and coordinated these into the proposed project design as set forth by Kennedy/ Jenks Consultants.

Each of the key issues from your April 15 letter are addressed as follows. All studies, reports, technical memo, and photos referenced below are attached to this letter.

- **Project Description (Attachment No. 1).** The attached Site Plan (Kennedy/Jenks Consultants, 2016) provides more detailed project description information, especially as it relates to design aspects that respond to environmental issues raised by your agency.
- **Biological Resources (Attachment No. 2).** The biological resources assessment provides technical information about the site related to key resources, including wetlands and ESHA. The study concludes that no biological resources would be impacted by the Redundancy Project, and provides direction to ensure that such resources, including ESHA, are avoided.
- **Sea Level Rise Analysis (Attachment 3).** The sea level rise study (ESA, 2016) provides a detailed analysis of the potential effects of long-term sea level rise, and frames this in the context of existing flood hazards that are present on the site. As described in the attached Technical Memorandum by Kennedy/Jenks Consultants, current flood proofing measures protect critical components of the plant up to and above the sea level rise predictions. The block wall identified in the April 15, 2016, letter extends around the Headworks/Pumping Facility and is depicted on the Facility Elevations Exhibit (Exhibit A to the Kennedy/Jenks

Technical Memorandum). Elevations are identified as spot elevations 84 through 90 in the elevation table. The District has no records related to permits for this flood proofing improvement. The block wall was constructed on the existing slab that surrounded the headworks, so it appears it did not result in a change to the footprint of the original headworks when constructed.

The Kennedy/Jenks Technical Memorandum discusses past flood proofing measures that were implemented as part of major plant upgrades. Similar to the block wall around the headworks, other flood proofing measures (flood gates, etc.) were constructed within the footprint of existing buildings and structures and were likely considered minor improvements by staff at that time.

New facilities will be designed with flood proofing measures above those predicted elevations from the Sea Level Rise Analysis, and also above the FEMA Flood Insurance Study (FIS) base flood elevations (BFE). Existing flood barriers at buildings and critical structures may need to be raised by 1 to 3 feet to protect above the BFE but these improvements will not require an increase in footprint of structures, nor will any of these minor flood proofing improvements impact other coastal resources (view shed, habitat, etc.)

- **Other Agency Approvals.** The District is working with San Luis Obispo County staff, who have told us they will complete Section B of Appendix B of the CDP application, indicating that no additional County approvals will be required in support of this project. Their last information request to us were technical questions (amount of disturbed area and whether the project was in public trust lands or tidelands) allowing them to wrap up their review.

Our County Planning and Building Department contact is Airlin Singewald at (805) 781-5198 (asingewald@co.slo.ca.us) if you would like to discuss further with him. We anticipate receiving Section B prior to our meeting on August 16 and will forward to you as soon as it is available.

- **CEQA Document Concurrence.** The District submitted a Mitigated Negative Declaration in support of the project dated May 2010. You had indicated that staff will need evidence (e.g. a concurrence letter) from the District that the CEQA document, including all project components and mitigations, remain accurate and appropriate, especially for the Project, Biological Resources, Geology and Soils, Wastewater, and Water sections. The District is working to provide the requested concurrence and supporting documentation, but prefers to hear Coastal Commission staff comments or concerns prior to us finalizing and complete this effort.
- **Photographs of the Project Site (Attachment No 5).** As requested, we are providing additional photographs of the project site in order to better facilitate your review.

District Response to Coastal Commission April 15th letter

In summary we believe through this response letter we have fully addressed your comments and concerns raised in the April 15th regarding our CDP Application pending before you. We look forward to discussing the contents of this letter, and the supporting attachments with you on August 16, and moving to the next step with is placing this CDP for future Coastal Commission consideration and approval. We trust you will find the information, solutions, remedies we have provided in this letter will assist both the Coastal Commission and the District's in our mutual goals of protecting coastal resources, water quality and public health and safety, all core objectives of the District's Redundancy Project. Feel free to contact me at 805-202-8291 or Gerhardt@sslocsd.us if you have any questions, comments, information, or wish to further discuss with me this very important project.

Sincerely,



Gerhardt Hubner
District Administrator

Attachments:

1. Site Plan (Kennedy/Jenks Consultants, 2016)
2. SSLOCSD Wastewater Facility Redundancy Project – Delineation of Waters of the US and the State of California (Merk, 2016)
3. SSLOCSD Wastewater Treatment Facility – Sea Level Rise Analysis (ESA, 2016)
4. Redundancy Project – Flood Risk Mitigation Strategy (Kennedy/Jenks Consultants, 2016)
5. Site Photos



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Staff Report

Date: August 17, 2016
To: Board of Directors
From: Amy Simpson, District Bookkeeper/Secretary
Via: Gerhardt Hubner, District Administrator

Subject: FISCAL YEAR 2015/16 FOURTH (4th) QUARTER BUDGET PERFORMANCE REVIEW

Recommendation: Receive and File Report.

Executive Summary:

On June 30, 2016, the District Fiscal Year 2015/16 4th Quarter closed. Today's staff report provides an overview of the District's Budget Performance as it pertains to its Revenues, Expenditures, and Cash Balance as of June 30th. Accounting information for this quarter is from July 1, 2015 to June 30, 2016 as contained below in the following tables. Table No. 1 contains the District's performance regarding Revenues, Table No. 2 contains overall expenditure performance through the 4th Quarter and Table No. 3 contains predicted and actual Beginning Fund Balance. Lastly, the cash and investment balance as of June 30, 2016 for the District's accounts are included.

Through the 4th Quarter, the District expended 74% of its budgeted expenditures (at the 100% Benchmark).

No. 1 - Revenues

	FY 2015/16 Budget	Received		Recommended Adjustments
		Amount	Percent	
Fund 19	\$3,239,813	\$3,502,863	108%	0
Fund 20	\$125,200	\$197,826	158%	0
Fund 26	\$0	\$0		0
Fund Balance Available	\$1,638,959	\$1,638,959	100%	0
Total	\$5,003,972	\$5,339,648	107%	0

No. 2 - Expenses

	FY 2015/16 Budget	Expended as of 07-31-16 Amount Percent		Recommended 4th-Quarter Adjustments
Fund 19	\$3,020,152	\$2,489,905	82%	0
Fund 20	\$685,854	\$389,055	57%	0
Fund 26	\$1,080,000	\$652,402	60%	0
Total	\$4,786,006	\$3,531,362	74%	0

No. 3 – Fund Balance Available

	Predicted Fund Balance Available at 06/30/16	Actual Fund Balance Available at 07/01/16	Percent
Fund 19	\$1,190,000	\$1,214,964	102%
Fund 20	\$4,015,000	\$3,935,732	98%
Fund 26	\$385,000	\$396,513	103%
Total	\$5,590,000	\$5,547,209	99%

Cash and Investment Balance

The data below was reported to the Board at its August 03, 2016 Board meeting and included here again for reference.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,419,502 as of June 30, 2016.

County of San Luis Obispo Treasury Pool

As of June 30, 2016, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$3,026,380.

Rabobank Funds

As of June 30, 2016, the reconciled cash balance in the District's Rabobank account totaled \$101,348.

Analysis

District staff has reviewed each of the FY 2015/16 account line items under each Fund. The following accounts had expenditures significantly less than the budgeted amounts. After each account is the percentage and amount difference between budgeted amount and the expenditure.

1. Account No. 19-6060 State Retirement: 47% (+\$60,891). This savings is a result of Classic Members separating from the District.
2. Account No. 19-6065 Unfunded Liability: 33% (+\$47,090). This account was originally budgeted with intent to enter the California Employee Retirement Benefit Trust (CERBT) program. The amount budgeted was based on the Actuarial Report. Instead, the money was used to pay the Unfunded Accrued Liability on a monthly basis.
3. Account No. 19-7005 Advertising/Legal and Recruitment: 34% (+\$60,316). This account was expected to be used for the recruitment of a District Manager and Legal Counsel.
4. Account No. 19-7077 Professional Services – Engineering: 9% (+\$91,379). This account was expected to be used for engineering of District Projects. Most engineering costs during last year's fiscal budget were associated with specific projects and therefore were expensed to those project expense accounts and can be found in Funds 20 and 26.
5. Account No. 20-8010 Capital Equipment: 27% (+\$391,743). Grit System was budgeted to be spent out of this account.
6. Account No. 26-8015 Trunk Sewer Maintenance: 39% (+\$48,507). This money was budget for the replacement of the 12" pipe near the Headworks.
7. Account No. 26-8065 Structure/Grounds Replacement and Improvement: 42% (+\$345,412). This money was intended for the AG Sewer Bridge Project, Headworks Improvements and replacements of Capital Equipment.

The following account listed below was significantly greater than the budgeted amount at the close of the 4th quarter.

1. Account No. 20-7080 Redundancy Project: 393% (\$102,557). This account reflects the engineering costs mentioned above in No. 4. The cost was budgeted in Fund 19-7077 but expensed to Fund 20-7080 to remain with the project.

Conclusion:

Overall, the District expenditures remained well below the adopted Fiscal Year 2015/16 budgeted amounts. As per good fiscal and budget practices, staff continues to monitor costs vs. budgeted amounts, while providing the District and its ratepayers the best cost benefit and investment of District funds.



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Date: August 17, 2016

To: Board of Directors

From: Gerhardt Hubner

Subject: CONSIDERATION OF RESOLUTION NO. 2016-355, AMENDING THE DISTRICT'S CONFLICT OF INTEREST CODE

RECOMMENDATION

Staff recommends:

1. Adoption of Resolution No. 2016-355, including Appendix A and B.

BACKGROUND

On July 22, 2016, District staff received an email from the Ms. Tam Bisantz, Clerk-Recorder's County of San Luis Obispo. The message stated the following:

*The Political Reform Act requires every local government agency to review its conflict-of-interest code biennially. After review, each agency must submit to the County Clerk-Recorder a notice indicating whether or not an amendment is necessary. The enclosed "2016 Local Agency Biennial Notice" form must be returned to this office no later than **October 3, 2016**.*

Instructions included:

- *Review the attached FPPC fact sheet and notice of instructions.*
- *For additional information on amending a code, the FPPC website contains a wealth of information about Conflict of interest Codes and has webinars with information on amending a code. Visit www.fppc.ca.gov for more information or to sign up for a webinar.*
- *Determine if your code needs to be amended.*
- *If amendments are necessary, please submit the following:*
 - *A letter outlining any changes*
 - *The Agency resolution adopting the code or a letter stating the date the Code was adopted*
 - *A "red-line/strike out" (track changes) version showing the changes to your current conflict-of-interest code*
 - *A "final" clean copy of your new conflict-of-interest code*

- *Complete and return the 2016 Local Agency Biennial Notice at your earliest opportunity but no later than October 3, 2016 whether or not you will be making changes to your code.*

DISCUSSION

In order to timely comply with this regulation, staff and legal counsel worked jointly to prepare draft Resolution No. 2016-355, and this staff report, using information from the Fair Political Practices Commission's website, and the County of San Luis Obispo.

Government Code Section 87300 requires the District to adopt a conflict of interest code. The District last updated its Conflict of Interest Code in 2014, so we must comply with this two-year requirement.

Draft Resolution No. 2016-355 contains a number of required recitals and cited regulations necessary for a complete Conflict of Interest Code. Appendix A (California Code of Regulations, Title 2, Section 18730, Provisions of Conflict of Interest Code) is included and incorporated by reference.

Appendix B, an Appendix of Designated Officers and Employees with Disclosure Categories was modified, and the Plant Superintendent classification added. This position does have authority through the District's Resolution No. 2016-353: "Adopted Policies and Procedures for the Expenditure of District Funds for Supplies, Equipment, Construction and Services..." *to make, or participate in the making of decisions, which may have a material effect on a financial interest.* Other agencies have included position classifications similar to Plant Superintendent in their list of designated officers and employees. Therefore, it is appropriate for the District to also include this position classification. No other modifications are proposed.

Today staff is requesting the Board approve an amended Conflict of Interest Code, and submit the necessary Resolution and forms to the County of San Luis Obispo no later than October 3, 2016. Doing so will complete this process and place the District in conformance with all applicable Conflict of Interest Code obligations.

FISCAL CONSIDERATIONS

None.

Attachment No. 1 Resolution No. 2016-355 with Appendix A: California Code of Regulations, Title 2, Section 18730, Provisions of Conflict of Interest Code and Appendix B: Designated Officers and Employees with Disclosure Categories

RESOLUTION NO. 2016-355

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
AMENDING ITS CONFLICT OF INTEREST CODE**

WHEREAS, Government Code Section 87300 requires the District to “adopt and promulgate” a conflict of interest code according to the provisions of Article 3 of Chapter 7 of Title 9 of the Government Code which designates where Form 700 disclosure statements are filed and retained; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act; and

WHEREAS, 2 California Code of Regulations Section 18730, a current copy of which is attached hereto as **Appendix “A,”** provides the rules for disqualification procedures, reporting financial interests, and references the current gift limit, must be referenced in the conflict of interest code; and

WHEREAS, each conflict of interest code must list all agency positions that involve the making or participation in making of decisions that “may foreseeably have a material effect on any financial interest;” and

WHEREAS, each conflict of interest code must be regularly—at least every other year—updated to reflect the current structure of the agency and properly identify all officials and employees who should be filing a Form 700;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference; and

SECTION 2. This regulation and the attached **Appendix “B,”** designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the South San Luis Obispo County Sanitation District (“District”); and

SECTION 3. Individuals holding designated positions shall file their statements of economic interests with the District, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). Upon receipt of the statements for the Members of the Board, Alternates, and the District Administrator, the District shall make

and retain copies and forward the originals to the County of San Luis Obispo. All other statements will be retained by the District.

PASSED AND ADOPTED at a regular meeting of the South San Luis Obispo County Sanitation District held August 17, 2016.

Board Chair

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO FORM:

BY: _____
DISTRICT COUNSEL

CONTENTS:

BY: _____
DISTRICT ADMINISTRATOR

User Name: Wendy Stockton

Date and Time: Jul 29, 2016 13:35

Job Number: 35274130

Document (1)

1. [2 CCR 18730](#)

Client/Matter: -None-

Search Terms: california code of regulations title 2 section 18730

Search Type: Natural Language

2 CCR 18730

This document is current through Register 2016, No. 28, July 8, 2016

§ 18730. Provisions of Conflict of Interest Codes

- (a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.
- (b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

- (A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- (B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and
- (C) The filing officer is the same for both agencies.<1>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<2>

(5) Section 5. Statements of Economic Interests: Time of Filing.

- (A) Initial Statements.** All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.
- (B) Assuming Office Statements.** All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.
- (C) Annual Statements.** All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.
- (D) Leaving Office Statements.** All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5)Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

- (A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:**
 - (1) File a written resignation with the appointing power; and**
 - (2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.**

(3) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(B) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of as-

suming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

2 CCR 18730

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property^{<3>} is required to be reported,^{<4>} the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$ 2,000, exceeds \$ 10,000, exceeds \$ 100,000, or exceeds \$ 1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,^{<5>} the statement shall contain:

1. The name and address of each source of income aggregating \$ 500 or more in value, or \$ 50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$ 1,000 or less, greater than \$ 1,000, greater than \$ 10,000, or greater than \$ 100,000;
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,^{<6>} the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$ 10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director,

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officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

- (E)** Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

- (A)** No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1)Section 8.1. Prohibition on Receipt of Gifts in Excess of \$ 460.

- (A)** No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$ 460 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2)Section 8.2. Loans to Public Officials.

- (A)** No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.
- (B)** No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.
- (C)** No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.
- (D)** No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction

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and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$ 500 at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3)Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$ 500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4)Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of \$ 100 or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than \$ 250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

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2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

- (A) Any business entity in which the designated employee has a direct or indirect investment worth \$ 2,000 or more;
- (B) Any real property in which the designated employee has a direct or indirect interest worth \$ 2,000 or more;
- (C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$ 500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;
- (D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- (E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$ 460 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3)Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5)Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

- (A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

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- (B)** Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$ 1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

<1> Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

<2> See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

<3> For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

<4> Investments and interests in real property which have a fair market value of less than \$ 2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

<5> A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

<6> Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

APPENDIX "B"

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT 2016 CONFLICT OF INTEREST CODE APPENDIX OF DESIGNATED OFFICERS & EMPLOYEES WITH DISCLOSURE CATEGORIES

Deleted: 4

I. DESIGNATED POSITIONS

The persons occupying the positions listed below are hereby considered designated officers and employees and are deemed to make, or participate in the making of, decisions, which may have a material effect on a financial interest.

DESIGNATED POSITION	ASSIGNED DISCLOSURE CATEGORIES
District Legal Counsel	1,2,3
District Engineer	1,2,3
<u>Plant Superintendent</u>	<u>1,2,3</u>
Consultants, contractors and Contract Employees that are identified by contract.	1,2,3

II. OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Disclosure is required of the following positions and shall be provided as stated in Government Code section 87200 et seq.

DESIGNATED POSITION
Members of the Board of Directors
District Administrator

III. DISCLOSURE CATEGORIES

Category 1: All persons in this disclosure category shall disclose all interests in real property located in the District or within two miles of the District's boundaries. This disclosure is not applicable to the person's principal residence or real property interests with a fair market value of less than \$2,000.

Category 2: All persons in this disclosure category shall disclose all investments in business entities and business positions in business entities that have an interest in real property in the District, or that have done business with the District during the year prior to the date of the person's disclosure statement, or that are likely to do business with District during the year subsequent to the date of the person's disclosure statement. This disclosure category is not applicable to investments with a fair market value of less than \$2,000.

Category 3: All persons in this disclosure category shall disclose all sources of personal and business entity income from entities that provide services, materials, machinery equipment, or supplies of the type utilized by the District or that are located within the District, including gifts, loans and travel payments. This disclosure category is not applicable to income received from the District.

Consultants. "Consultant" means an individual who, pursuant to a contract with the District, either: (A) Makes a governmental decision whether to (1) approve a rate, rule, or regulation; (2) adopt or enforce a law; (3) issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; (4) authorize the District to enter into, modify, or renew a contract provided it is the type of contract that requires District approval; (5) grant District approval to a contract that requires District approval and to which the District is a party, or to the specifications for such a contract; (6) grant District approval to a plan, design, report, study, or similar item; or (7) adopt or grant District approval of policies, standards, or guidelines for the agency, or for any subdivision thereof; or (B) Serves in a staff capacity with the District and in that capacity participates in making a governmental decision as defined in California Code of Regulations, title 2, section 18702.2 or performs the same or substantially all the same duties for the District that would otherwise be performed by an individual holding a position specified in the District's conflict of interest code. (California Code of Regulations, title 2, section 18701(a)(2).)